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OFFICE RECORDS AND ACCOUNTING¹

W. E. LAUTZ:² In the matter of collections for water service and billing the consumer there seems to be no uniformity of practice in water companies, departments or other utilities.

Our service is 100 per cent metered. We bill on a quarterly basis, except for the larger consumers, comprising about 4 per cent of the total number of services, which are billed monthly. Postal card notices for the amounts due are sent out to the consumers. A separate bill is made out for each service. The bill is retained at the office. The consumer is billed at the net amount which must be paid within ten days or a 10 per cent penalty is added. About 97 per cent of our consumers pay their accounts within the ten-day period. When the consumer pays the bill, he is given a receipt which shows both readings, the consumption during the billing period and the amount due. A stub is retained from each bill from which the proper posting is made direct to the consumer's ledger account.

The local gas and electric company bill their consumers monthly. The bills are distributed by private carrier. The stub of each bill is detached and retained at the office. The consumer is expected to return the bill to be receipted when payment is made at the office.

The local telephone company bills its consumers monthly. The bills are distributed by private carrier. The distributor endeavors to collect the bill on presentation. I understand that the collector makes but one call. If payment is not made to the collector, the bill is left with the customer and the customer is expected to return the bill and make payment of the amount due at the company's office within the discount period.

Some companies use the post card form of bill, others distribute their bills by private carrier. Some send out a collector, others, require all payments to be made at the office. Some bill monthly, others bill quarterly except for their large consumers. It would be interesting as well as valuable to find out and bring before this meeting something of the different practices in the various cities here represented.

¹ Discussion at the Illinois Section meeting, March 30, 1922.

² Secretary and Manager, Pekin Water Works, Pekin, Ill.

F. C. AMSBARY:³ We collect quarterly. We mail a postcard showing the rates for the water all figured out in number of gallons used. That bill is mailed and must be paid within ten days or ten per cent is added. There is a slight difference (no difference at all in fact) but there appears to be a difference in charging a penalty of 10 per cent or giving a discount. The customer does not like the idea of paying a penalty. We regretted that 10 per cent penalty, but we do not have much trouble in that way. Often they come into the office without their card, perhaps 10 per cent of them do this, and in that event we have blank cards which are marked "received of ———— for water, from ————." We do not put in all the meter readings or rates. That would take up too much time. We are going to put in effect before long, a system of zoning. This will mean a system of continual billing. The office force will then have steady work, not some days of overwork and then underwork the rest of the time.

R. D. HUGGANS:⁴ Our flat rate consumers pay every three months, in advance. They are notified at the beginning of a quarter, through the newspapers, that their accounts are due and that they should be paid by such and such a date. Our meter accounts are billed every month. We make out the bills and have the carriers distribute them. It is cheaper at 1½ cents to have them delivered by carrier than to pay 2 cents to have them mailed. One man does all of the meter reading and it takes him practically the whole month to get over the ground.

Question: How many meters have you?

R. D. HUGGANS:⁴ About 2500, but a good many of them are outside meters. It takes longer to read these than inside meters, especially in winter months. The reason it takes him this length of time is that we usually go back, when people are not at home, where meters are inside.

D. R. GWINN:⁵ First of all I was impressed by what Mr. McDonald said about the charge for service and not for the water. It reminded

³ Manager, Water Company, Champaign, Ill.

⁴ Manager, Water Works, Streator, Ill.

⁵ President, Water Company, Terre Haute, Ind.

me of the old colored man. The minister asked him for a contribution. "Why, I thought that this here religion was free," he said. "Well it is," the preacher told him, "but you have to pay for the pipes." That is about the case with us. We have to have the water coagulated, settled, filtered, sterilized, and pump it twice most of the time. Mr. McDonald told me several years ago about his scheme. I wondered if I could adopt it for our use, but I could not see any way in which it would work without indexes. We have about 8800 metered accounts and 125 flat rates. Meter rates are collected monthly and the flat rates quarterly. Our ledgers are arranged according to streets so that the clerks can locate any account by reference to the street in the ledger. We save a lot of time by doing this. We have about six men who read meters. They do the reading about the 21st of the month. Bills are delivered on the 31st of the month. After the meter reading book is returned to the office the clerk takes that book and enters the reading in the ledger, makes the subtraction and enters the amount due; then that operation is finished. The next clerk picks up the ledger and makes out the bill, so far as the readings and cubic feet used are concerned. Then another clerk finishes the bills, using system of rubber stamps showing the different number of cubic feet and what they amount to. The bills are all compared before they go out of the office by the secretary or the assistant manager. These bills are arranged in routes. On the last day of the month we take all the help we can spare out of the office and a number of others and send the bills out. If the consumer desires, he may pay the amount of the bill and we find that many of our consumers want to do this. The majority of women in fact would rather have this system, as they are busy with their household duties and children and do not have time to come down to the office to pay their bills. About 40 per cent of our bills are paid in that way. Of course we always have a few delinquents. But I might say that invariably they are always the same ones. About the 8th of the month we take about a 60-inch space in each of the daily papers announcing that the water bills that were due on the last day of the month should be paid by the 10th. Of course, you cannot account for those people who never will learn to pay their bills. We pay the collectors \$3.50 a day. Most of them are ladies, who are not busy at home. We have never lost money through the failure to turn in cash. Occasionally they come in short and once in awhile they come in long and then

we have some trouble finding the party who paid the bill. We have used this plan for about five or six years.

E. MACDONALD:⁶ I would like to say a few things regarding the rubber stamp method. We thought very earnestly about that. Ordinarily with simply a water plant such as Mr. Gwinn has, it is I presume the best method; but we have such a complicated mixture of accounts, we found that it would take an enormous amount of rubber stamps. I made an estimate at one time of the number of stamps it would take and you would hardly believe me if I would tell you the number I estimated.

As far as the index feature is concerned we have no index. In order to start this new system we threw away previous ledgers. For instance Kickapoo Street is the longest street in our town, but it does not appear in our ledgers excepting as it appears one block at a time in connection with the intersecting streets running east and west. Our clerks soon became accustomed to the system, so that if they would name some certain street number they could tell us without a moment's hesitation where that was located. If a customer should come in without his bill but would give his street number the clerks without any difficulty could go to the ledger and get the account. This system bothered our clerks a little for perhaps two months, but in that length of time they became so accustomed to it that they needed no index whatever.

P. BARNHARD:⁷ We have three departments like Mr. MacDonald but no ledgers or indexes. We have thrown away our pen and our rubber stamps. Like Mr. MacDonald, we use different colored paper to represent the several departments. Our bill forms are made out on the typewriter in triplicate, the original being sent to the customer, the duplicate placed in the customer's file and the triplicate bound in a book. The total forms our accounts receivable, and is the only entry carried to our general ledger. When the customer comes in to pay his bill, should he be without the statement sent him, we simply look in his folder which is filed alphabetically and are able to make out a duplicate bill for his receipt. As the bills are paid, they are taken out of one folder and filed away in the customer's paid folder and are kept for inspection of the Public

⁶ Manager, Water and Light Company, Lincoln, Ill.

⁷ Manager, Mount Carmel Public Utility Company, Mt. Carmel, Ill.

Utilities Commission. The Commission requires that these bills be kept for three years. We find this is convenient, for when a customer complains of his bills running higher than usual, with all of the several years' bills before us, we are enabled to make comparison. We usually are able to convince him from the record that his bill is no higher than for the corresponding month the year before.

WM. MOLIS:⁸ I presume according to these discussions that all of your consumers pay their bills. Well, they don't in our town. But if they don't, off they go. We may seem to lose some of them for a time, but they come back again the first of the month.

If the bills are not paid by the tenth of the month they lose the discount which is ten per cent, and if not paid by the 15th, 25 cents is added for collection, and if not paid by the 20th, the service is cut off.

Usually the ones which are cut off are the first to pay next month. We charge \$1.00 for turning on the water, when the water has been turned off for non payment.

We charge the account to the property owner and it is a lien on the property. They must sign such a contract when making application for water.

⁸ Superintendent, Water Works, Muscatine, Iowa.